

## Department of Planning and Budget 2003 Fiscal Impact Statement

**1. Bill Number** SB1247

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron** Stosch and Howell

**3. Committee** Science and Technology

**4. Title** Information Technology Investment Board; Chief Information Officer

**5. Summary/Purpose:**

Establishes the Information Technology Investment Board to oversee the planning, budgeting, acquiring, managing, and disposing of major information technology projects in the State. In addition, the bill establishes the Virginia Information Technologies Agency (VITA) to replace the Department of Information Technology and the Department of Technology Planning, which are abolished. Under the bill, an independent Chief Information Officer (CIO) of the State, hired by the Board, will oversee the operation of VITA. The bill (i) establishes the Division of Project Management within the VITA to assist the CIO in the development and implementation of a project management methodology to be used in the planning and development of information technology projects; (ii) establishes a project planning, development and approval process for major information technology projects; (iii) authorizes the Virginia Public Building Authority to issue debt to finance major information technology projects; and (iv) provides for the consolidation of the procurement and operational functions of information technology for state agencies. The bill also provides an implementation schedule for the consolidation of operational functions, including but not limited to, servers and networks, for state agencies into VITA. Identical to SB847.

**6. Fiscal Impact Estimates are:** Indeterminate (See Item 8.)

**7. Budget amendment necessary:** No.

**8. Fiscal implications:**

Along with its corresponding language in the budget bill, this legislation permits a partial consolidation of state-wide technology assets into one agency to generate savings. The introduced budget bill (SB700) has included these IT savings within agencies' individual appropriations. The bill also amends § 2.2-2261 (Virginia Public Building Authority) to include major information technology projects for financing purposes.

In this legislation's current form, it provides for a phased-in consolidation of certain IT activities and assets into the Virginia Information Technologies Agency (VITA) beginning on or before January 1, 2004. The generated savings are dependent upon the pace of this consolidation. With a majority vote, the newly created Information Technology Investment Board may accelerate the consolidation.

By delaying implementation and reducing the scope of the consolidation, savings assumed for FY2004 will be less. Not until FY2005, does the Department of Information Technology (DIT) estimate significant cost savings will begin. As a result of this legislation's permissive nature and the phased -in implementation, DIT has concluded the fiscal implications of this reorganization are indeterminate.

**9. Specific agency or political subdivisions affected:** All state agencies.

**10. Technical amendment necessary:** No.

**11. Other comments:** This bill incorporates SB847 and is a companion bill to HB1926.

**Date:** 01/18/02/MWG

**Document:** ( MWG G:\FIS\03\MWG\SB1247e.DOC)

cc: Secretary of Technology